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JAKARTA PASS TO DILI

E.O. 12958: DECL: 10/01/12
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SUBJECT: SECRETARY'S MEETING WITH EAST TIMOR PRESIDENT
GUSMAO

CLASSIFIED BY EAP ACTING A/S CHRISTOPHER J. LAFLEUR.
REASON 1.5(D).

11. (U) OCTOBER 1, 2002, 1100-1130, SECRETARY'S OUTER
OFFICE.

12. (U) PARTICIPANTS:

UNITED STATES:

SECRETARY POWELL
SPOKESMAN RICHARD BOUCHER
CHARGE D'AFFAIRES SHARI VILLAROSA
EAP DEPUTY ASSISTANT SECRETARY MATTHEW DALEY
S/WCI AMBASSADOR-AT-LARGE PIERRE-RICHARD PROSPER
EXECUTIVE ASSISTANT CRAIG KELLY
EAP/IET DESK OFFICER PETER HEMSCH (NOTETAKER)

EAST TIMOR:

PRESIDENT KAY RALA XANANA GUSMAO
FOREIGN MINISTER JOSE RAMOS-HORTA
ADVISOR TO THE PRESIDENT PAULA PINTO
CHARGE D'AFFAIRES CONSTANCIO PINTO

13. (C) SUMMARY: PRESIDENT GUSMAO INFORMED SECRETARY
POWELL ABOUT EAST TIMOR'S PROPOSAL FOR AN INTERNATIONAL
TRUTH AND JUSTICE COMMISSION ON THE 1999 POST-REFERENDUM
VIOLENCE IN EAST TIMOR. THE SECRETARY SAID HE WAS
DISAPPOINTED BY THE VERDICTS THUS FAR RENDERED BY THE
INDONESIAN AD HOC TRIBUNAL IN JAKARTA; AMBASSADOR PROSPER
DESCRIBED THE TIMORESE PROPOSAL AS "CREATIVE." GUSMAO
SAID THAT THE BAYU-UNDAN OIL AND GAS FIELD WOULD BEGIN TO
PRODUCE REVENUE BY 2004, BUT THE MUCH LARGER SUNRISE FIELD
WOULD NOT COME ON-LINE UNTIL 2008. THE RESULTS OF
REVENUE-SHARING NEGOTIATIONS WITH AUSTRALIA WOULD
DETERMINE WHETHER EAST TIMOR WOULD BECOME ANOTHER KUWAIT
OR ANOTHER CAPE VERDE. GUSMAO OPINED THAT UNTIL THE
PETROLEUM INCOME CAME ON-LINE, EAST TIMOR WOULD NEED
SIGNIFICANT DEVELOPMENT ASSISTANCE. IN THIS REGARD, HE
THANKED THE U.S. FOR OUR AID, PARTICULARLY THE DEMOCRACY
PROGRAMS, AND SAID THAT HE HOPED THE U.S. WOULD MAINTAIN A
MILITARY PRESENCE IN THE FUTURE, IF ONLY A LIMITED ONE.
GUSMAO ASKED FOR ADDITIONAL ASSISTANCE TO HELP BUILD A
BARRACKS FOR THE EAST TIMOR DEFENSE FORCE. FOLLOWING THE
MEETING, SECRETARY POWELL AND PRESIDENT GUSMAO SIGNED A
STATUS OF FORCES AGREEMENT. END SUMMARY.

EAST TIMOR AFTER INDEPENDENCE

14. (C) SECRETARY POWELL OPENED BY CONGRATULATING PRESIDENT
GUSMAO ON EAST TIMOR'S ACHIEVEMENTS OVER THE PAST YEAR, AS
WELL AS FOR ITS ACCESSION TO THE UN LAST WEEK. PRESIDENT
GUSMAO SAID THAT WHILE THE HANDOVER OF EXECUTIVE AUTHORITY
FROM THE UN TO THE TIMORESE HAD GONE SMOOTHLY, HE FACED
THE TWIN CHALLENGES OF BUILDING MANAGEMENT CAPACITY IN THE
GOVERNMENT AND FULFILLING THE EXPECTATIONS OF THE PEOPLE.
THE PEOPLE WERE SHOWING A SPIRIT OF UNDERSTANDING ABOUT
WHAT INDEPENDENCE COULD AND COULD NOT DELIVER, BUT THEY
WANTED RESULTS.

INTERNATIONAL TRUTH AND JUSTICE COMMISSION

15. (C) GUSMAO NOTED THAT EAST TIMOR'S RELATIONS WITH INDONESIA WERE GOOD, AS EVIDENCED BY FOREIGN MINISTER RAMOS-HORTA'S UPCOMING VISIT TO JAKARTA TO ATTEND MEETINGS OF THE SOUTHWEST PACIFIC FORUM AND EAST TIMOR-INDONESIA JOINT COMMISSION. HOWEVER, GUSMAO SAID, THERE WERE RESIDUAL ISSUES THAT REMAINED -- GUSMAO HAD BEEN DISAPPOINTED BY THE VERDICTS THUS FAR AT INDONESIA'S AD HOC TRIBUNAL ON THE 1999 POST-REFERENDUM VIOLENCE. RAMOS-HORTA THEN OUTLINED EAST TIMOR'S POSITION ON PROSECUTING THE PERPETRATORS OF THE POST-REFERENDUM VIOLENCE. THE FOREIGN MINISTER SAID THAT GIVEN THE TRIBUNAL'S FAILURE, THE UNIVERSAL CRITICISM IT HAS RECEIVED, AND THE LACK OF ANY INDICATION THAT IT WOULD DELIVER IN THE FUTURE, THE INTERNATIONAL COMMUNITY Faced THREE CHOICES. THE FIRST, TO DO NOTHING, WOULD BE A DISSERVICE TO THE VICTIMS OF THE VIOLENCE. THE SECOND CHOICE, THE FORMATION OF AN INTERNATIONAL TRIBUNAL, WAS PROBLEMATIC -- EVEN IF IT PASSED THE UN SECURITY COUNCIL IT WOULD LACK A STRONG MANDATE OR ADEQUATE FUNDING. FURTHERMORE, INDONESIA WOULD BE UNLIKELY TO COOPERATE WITH A TRIBUNAL AND SUCH A PROCESS COULD SERIOUSLY DAMAGE THE DILI-JAKARTA RELATIONSHIP.

16. (C) RAMOS-HORTA SAID THAT AFTER EXTENSIVE CONSULTATIONS IN EAST TIMOR BOTH WITHIN THE GOVERNMENT AND WITH CIVIL SOCIETY, THE TIMORESE WERE PROPOSING A THIRD OPTION: THE FORMATION OF AN INTERNATIONAL TRUTH AND JUSTICE COMMISSION (ITJC). IN THIS SCENARIO, UN SECRETARY-GENERAL ANNAN WOULD APPOINT A SPECIAL RAPPOREUR FOR A THREE-MONTH PERIOD TO STUDY THE ISSUE, GIVING THE INDONESIA AD HOC TRIBUNAL MORE TIME TO SHOW RESULTS. IF THE AD HOC TRIBUNAL FAILED TO ACHIEVE CONVICTIONS, THE RAPPOREUR WOULD RECOMMEND, AND THE SECRETARY-GENERAL WOULD APPROVE, THE FORMATION OF AN ITJC WITH THREE-TO-FIVE JUDGES. ONCE THE JUDGES ISSUE THEIR REPORT, THE SECURITY COUNCIL WOULD APPROVE IT, AND INDIVIDUAL COUNTRIES COULD TAKE ACTION AGAINST THE ACCUSED AS THEY SEE FIT. EXAMPLES OF PUNITIVE ACTION RANGE FROM BILATERAL DEMANDS THAT ACCUSED OFFICERS BE FIRED FROM THEIR POSITIONS IN THE INDONESIAN MILITARY, TO A SIMPLE VISA BAN. RAMOS-HORTA SAID THAT UN HIGH COMMISSIONER FOR HUMAN RIGHTS (AND FORMER UN SPECIAL REPRESENTATIVE IN EAST TIMOR), SERGIO DE MELLO, LIKED THE ITJC IDEA AND WOULD SHORTLY SEND A LETTER TO SECRETARY-GENERAL ANNAN SUPPORTING IT.

17. (C) SECRETARY POWELL SAID THAT WE TOO HAD BEEN DISAPPOINTED BY THE VERDICTS AT THE AD HOC TRIBUNAL. AMBASSADOR PROSPER DESCRIBED THE ITJC PROPOSAL AS INTERESTING, AND CREATIVE IN ITS EMPHASIS ON ESTABLISHING A PERMANENT RECORD OF TRUTH. HE EXPRESSED OUR WILLINGNESS TO IMMEDIATELY ENGAGE WITH THE TIMORESE ON THEIR PROPOSAL.

TIMOR GAP

18. (C) GUSMAO SAID THAT THE BAYU-UNDAN OIL AND GAS FIELD IN THE TIMOR GAP WOULD BEGIN TO PRODUCE REVENUE IN 2004, THOUGH IT WAS DIFFICULT TO JUDGE THE AMOUNT OF EARNINGS. ESTIMATES RANGE FROM \$40 TO \$200 MILLION, I.E. MORE THAN THE CURRENT NATIONAL BUDGET. GUSMAO SAID THAT THE MUCH LARGER SUNRISE FIELD WOULD NOT BE PRODUCTIVE UNTIL 2008, AND SINCE NEGOTIATIONS WITH AUSTRALIA FOR A REVENUE-SHARING AGREEMENT WERE NOT YET CONCLUDED, HE WOULD APPRECIATE THE SECRETARY'S HELP WITH THE AUSTRALIANS. RAMOS-HORTA SAID THE TIMORESE SAW THE TIMOR GAP ISSUE AS BIGGER THAN OIL; FOR EXAMPLE, IF AUSTRALIA AGREED TO ENFORCE TIMOR'S EXCLUSIVE ECONOMIC ZONE, THE TIMORESE WOULD GAIN SOME \$100 MILLION IN FISHERIES REVENUE ANNUALLY. THE SECRETARY OPINED THAT INTERNATIONAL ARBITRATION WAS AN OPTION TO CONSIDER, AND MENTIONED THAT HE WAS IN REGULAR CONTACT WITH HIS AUSTRALIAN COUNTERPART.

DEVELOPMENT ASSISTANCE

19. (C) GUSMAO SAID THAT UNTIL THE PETROLEUM INCOME CAME ON

LINE, EAST TIMOR WOULD NEED SIGNIFICANT DEVELOPMENT ASSISTANCE. IN THIS REGARD, HE THANKED THE U.S. FOR OUR AID, PARTICULARLY THE DEMOCRACY PROGRAMS, WHICH HE SAID WERE HELPFUL IN PROMOTING A "DEMOCRATIC CONSCIOUSNESS." GUSMAO SINGLED OUT THE INTERNATIONAL REPUBLICAN AND NATIONAL DEMOCRATIC INSTITUTES FOR PRAISE, AND NOTED THAT THE RECENTLY ARRIVED PEACE CORPS VOLUNTEERS WERE A DYNAMIC GROUP. HE ALSO SAID THAT THE U.S. MILITARY PRESENCE IN EAST TIMOR, HOWEVER SMALL, WAS GREATLY APPRECIATED, AND ASKED IF THE STATE OR DEFENSE DEPARTMENTS COULD ASSIST WITH THE BUILDING OF A MODERN BARRACKS FOR THE EAST TIMOR DEFENSE FORCE.

¶10. (C) THE SECRETARY DID NOT RESPOND TO THE BARRACKS REQUEST.

POWELL